

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

STARRED QUESTION NO:232
ANSWERED ON:08.12.2005
ACTION PLAN FOR BIO- DIESEL
Singh Shri Chandrabhan Bhaiya

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether the Government has formulated any action plan for bio-diesel for which a workshop was organised recently in view of the successful efforts in production of bio-diesel and increasing interest shown by some States;
- (b) if so, the details thereof;
- (c) whether the Government has prescribed any parameters for acceptance of bio-diesel; and
- (d) if so, the details thereof ?

Answer

MINISTER OF PETROLEUM & NATURAL GAS & PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) to (d) : A statement is laid on the Table of the House.

PRIORITY NO.11

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF THE LOK SABHA STARRED QUESTION NO. 232 BY SHRI CHANDRABHAN SINGH TO BE ANSWERED ON 8 DECEMBER 2005 REGARDING ACTION PLAN FOR BIO-DIESEL

(a) and (b): The Ministry of Rural Development is the nodal Ministry to implement the proposed National Mission on Bio-diesel, which, inter alia, envisages large scale plantation of *Jatropha Curcus* (Ratan Jyot). The Detailed Project Report for the proposed National Mission on Bio-diesel, which has been referred to the Planning Commission by the Ministry of Rural Development, has not yet received all the clearances and approvals which are a prerequisite for deciding upon any action plan for bio-diesel.

Meanwhile, the Ministry of Petroleum & Natural Gas has issued a Bio-diesel Purchase Policy which will come into effect on 1.1.2006. Moreover, the Ministry of Petroleum and Natural Gas and the Ministry of Panchayati Raj jointly organized a Bio-diesel Conclave on 5.11.2005 and it was inter alia decided that the Ministry of Panchayati Raj, in association with other stakeholder Ministries like the Ministry of Petroleum and Natural Gas and Planning Commission and various other Government organizations, will explore the prospectus and possibilities of involving Panchayati Raj Institutions in promoting the cultivation of *Jatropha* and other oil bearing trees which can be used for the production of bio-diesel. To this end, a joint Committee co-chaired by Secretary (Ministry of Petroleum & Natural Gas), Secretary (Panchayati Raj) and Adviser (Planning Commission) is being constituted.

(c) and (d) In terms of the Statement on Bio-diesel Purchase Policy which will come into effect on 1.1.2006, , inter alia, the following have been prescribed:

(i) Bio-diesel manufacturers interested in supplying bio-diesel to public sector oil marketing companies should approach the state level coordinator (SLC) pertaining to the state, and after assessment of production capacity and credibility of the prospective supplier by joint evaluation / certification by the industry team, samples would be tested and if these meet the prescribed Bureau of Indian Standard (BIS) specifications, the supplier shall be registered as an authorized supplier.

(ii) In normal course, the registration shall be re-validated after a year. However if either the feedstock used or the process of manufacturing bio-diesel is altered, re-validation of registration shall be necessary immediately.

(iii) In registering authorized suppliers of bio-diesel, priority shall be given to such bio-diesel producers who propose to use non-edible tree borne oils as feedstock for producing bio-diesel, and have undertaken or have committed themselves to support farming of oil bearing plants with a view to using only tree-borne non-edible oil for manufacture of bio-diesel in future.

(iv) The oil marketing companies shall buy bio-diesel (B100) which meets the prescribed BIS standard, at a uniform price, as may be decided by the oil marketing companies from time to time, depending on market conditions. Such a uniform price shall be inclusive of any taxes and duties and transportation cost for delivery of bio-diesel at the purchase centre. The uniform price once fixed shall be in operation for six months, at the end of which it would be reviewed. The initial purchase price of bio-diesel by the oil marketing companies will be Rs 25 per litre. The registered authorised bio-diesel manufacturers shall be required to deliver B100 at the notified purchase centres in calibrated tank trucks of capacity not less than 10 KL. In case the suppliers envisage any deviation, they should

inform the concerned oil company and supply as per mutual convenience.

(v) All expenses related to testing of the bio-diesel for acceptance of the consignment shall be borne by the oil marketing companies. Every consignment shall be tested for the following specifications:

Density@15 degree C,

Kinematic Viscosity@40 degree C

Flash Point

Water Content

Copper corrosion, and

Acid value